ITEM 9 - Action

December 16, 2009

Briefing on the Norfolk Southern Crescent Corridor Intermodal Freight Project and Approval of TPB Letter of Support

Staff Recommendation:	 Receive briefing on the Crescent Corridor Intermodal Freight Project Approve the enclosed letter of TPB support for the project to be submitted to Secretary of Transportation Ray LaHood.
Issues:	None
Background:	In the enclosed letter dated October 2, 2009, Norfolk Southern requested the support of the TPB for the Crescent Corridor project to be submitted to Secretary of Transportation Ray LaHood. The Crescent Corridor project aims to make better use of existing rail facilities between the Northeast and the South along several Interstate corridors, including I-95 and 81. The project includes improvements such as passing track, tunnel improvements, and rail route improvements.

National Capital Region Transportation Planning Board

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DRAFT

December 16, 2009

Secretary Ray LaHood U.S. Department of Transportation 1200 New Jersey Ave, SE Washington, DC 20590

Dear Secretary LaHood,

The National Capital Region Transportation Planning Board (TPB), which is the federally designated Metropolitan Planning Organization (MPO) for Washington, D.C., Suburban Maryland, and Northern Virginia, is pleased to have the opportunity to provide comment on the Norfolk Southern Crescent Corridor Intermodal Freight Project. On October 2, 2009, the TPB received a request from Norfolk Southern Corporation for an official letter of support for the Crescent Corridor Project.

In its regional transportation planning role, the TPB is concerned about regional transportation flows for all modes, including freight rail. The TPB recognizes the need to address projected rapid growth in freight rail traffic in the coming decades, and appreciates the importance of an efficient freight rail system in supporting the economies of both the Washington metropolitan area and the nation as a whole. The Crescent Corridor parallels several interstates along the East Coast and provides many opportunities for domestic container and trailer-to-rail diversions—884,000 and 878,000 annual truck diversions from Maryland and Virginia respectively, according to a Cambridge Systematics analysis for Norfolk Southern. These reductions will directly benefit metropolitan Washington roadways, particularly I-95 and other nearby routes. In addition to congestion benefits, the TPB is also interested in potential reductions in vehicle emissions from moving a greater share of freight by rail instead of by truck.

The TPB is pleased to join the Governor of Virginia, six other Governors, and numerous other public officials and agencies in support of the Crescent Corridor Intermodal Freight Project in the upcoming Surface Transportation Authorization. We welcome the leveraging of significant private investment in this project, along with potential funding from the new federal transportation authorization (recognizing that this does not include the current federal TIGER competitive grants, for which the region has identified other priorities).

The TPB notes that the Crescent Corridor projects will be built in three phases. The final 2,500 mile network will link the supply chain from the South to the Northeast. As this project moves forward, we urge Norfolk Southern to coordinate closely with TPB, Virginia Railway Express, Amtrak, the Washington Metropolitan Area Transit Authority, and state and local governments in the region to:

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- ensure that local impacts, including noise, safety, and hazardous materials considerations, are adequately addressed as these projects are developed; and
- continue and expand upon actions to relieve current and potential future bottlenecks and conflicts between rail freight traffic and the passenger rail services provided by the Virginia Railway Express and Amtrak.

The TPB agrees that the Crescent Corridor will enhance the nation's ability to handle projected increases in freight traffic, reduce overall freight shipping costs, ease congestion and emissions, and minimize highway and road maintenance costs and delays. We look forward to working with Norfolk Southern as the Crescent Corridor advances.

Sincerely,

Charles Jenkins Chairman National Capital Region Transportation Planning Board

cc:

Darrell L. Wilson, Assistant Vice President, Norfolk Southern Joseph Boardman, President and Chief Executive Officer, Amtrak Pierce Homer, Secretary, Virginia Department of Transportation Gabe Klein, Director, District Department of Transportation Beverly Swaim-Staley, Secretary, Maryland Department of Transportation Paul Wiedefeld, Administrator, Maryland Transit Administration Dale Zehner, Chief Executive Officer, Virginia Railway Express



Norfolk Southern Corporation Goverment Relations One Constitution Avenue, N.E. Suite 300 Washington, DC 20002 202/675-8200 202/675-8210 Fax

Darrell L. Wilson Assistant Vice President

October 2, 2009

Charles Jenkins Chairman National Capital Region Transportation Planning Board Metropolitan Washington Council of Governments 777 North Capital Street, N.E. Suite 300 Washington, DC 20002

Dear Chairman Jenkins:

Americans depend upon a seamless, integrated surface transportation system to support the demands of a 21st century economy. The very transportation network which in the past has supported the free flow of people and goods throughout the country, however, is threatening to collapse after years of deferred infrastructure spending, growing passenger and freight volumes, and only modest capacity expansions.

The Crescent Corridor Intermodal Freight Project offers an innovative freight solution that makes better use of existing transportation infrastructure assets by diverting long-haul commercial trucks traveling between the Northeast and South along Interstates 20, 40, 59, 75, 76, 77, 78, 81, 85, and 95 to rail. The inherent strengths and efficiencies of long-haul train movements (including reducing highway congestion and shipping costs as well as improving air quality and fuel consumption standards) helps to explain why intermodal rail comprises an 80 percent market share of long-haul freight movements between Los Angeles and Chicago and a 50 percent market share between Chicago and New York. The Crescent Corridor is the last remaining undeveloped intermodal rail corridor in the country, comprising less than a 10% market share along most segments.

With only modest terminal capacity and rail route enhancements, though, this 2,500-mile intermodal rail network—the most direct intermodal rail route between the Northeast and South—has the potential to annually divert more than 1.3 million trucks off eastern U.S. interstates, including 200,000 from I-95 in the Washington metropolitan area. According to findings from Cambridge Systematics, a nationally respected transportation consulting firm used by the Federal Highway Administration and many state

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departments of transportation, including Maryland, the Crescent Corridor will at full development deliver the following annual public benefits throughout the eastern U.S.:

- \$575 million in congestion savings,
- 169 million gallons in fuel savings
- \$146 million in accident avoidance savings
- \$326 million in tax benefits created
- 1.9 million fewer tons of carbon dioxide emissions
- \$92 million in highway maintenance savings

These substantial public benefits are the reason why the Governors from Alabama, Mississippi, Pennsylvania, Tennessee, Virginia, and West Virginia as well as 32 members from the U.S. House of Representatives, 12 members from the U.S. Senate, 12 metropolitan planning organizations (including, for example, the Hagerstown/Eastern Panhandle MPO and Delaware Valley Regional Planning Commission), and nearly 100 businesses, nonprofit organizations, and local and state government officials have submitted letters of support endorsing the Crescent Corridor and requesting federal assistance to help realize those public benefits.

More specifically for the Washington metropolitan region, and in addition to the 200,000 long-haul commercial trucks diverted off I-95 in the region, Crescent Corridor improvements between Manassas and Haymarket on the Norfolk Southern (NS) rail line will enable the Virginia Railway Express (VRE) to expand current service and create new commuter service from Haymarket to Manassas and on to Washington, DC. The local governments and VRE expect this section of the metropolitan area will see tremendous population growth and view expanded commuter rail as an opportunity to reduce congestion on roads already suffering under the strain of traffic gridlock, which threatens the region's economic health. These improvements will help encourage more commuters to switch from their private automobiles to passenger rail. This cooperative effort between NS and VRE strengthens an already successful partnership. Historically, expanded commuter rail and new stations produce strong economic activity and encourage smart-growth development adjacent to the rail lines. This has been the case with the New Jersey Transit Trenton-Camden, which is also shared with freight rail.

Additionally, Amtrak, Virginia, and NS recently inaugurated new Amtrak passenger service from Lynchburg, Virginia to Washington on the NS Crescent Corridor mainline. This is a new round trip service designed to attract commuters driving to DC and other parts of Northern Virginia. Crescent Corridor improvements, here again, permit expansion of capacity on existing NS right-of-way for new passenger service.

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In light of both the freight and passenger benefits the Crescent Corridor Intermodal Freight Project will deliver to the greater Washington metropolitan area, the Project's proponents, including NS, respectfully request the National Capital Region Transportation Planning Board submit a letter of support to Secretary LaHood acknowledging the public benefits the Crescent Corridor is expected to deliver when fully developed both within the Capital Region as well as throughout the nation, while also encouraging the Secretary to provide full and fair funding consideration of the Crescent Corridor towards current and future grant programs.

On behalf of the Crescent Corridor's many supporters, I wish to thank you for your consideration. Please let me know if I can be of further assistance and I would be happy to discuss with you and the Board.

Very truly yours,

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Darrell L. Wilson Assistant Vice President